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**Kitchen & bath supplement:**
***Computers revolutionize design—pp. 29-56***

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National
# Home Center News®

Vol. 11, No. 11 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. May 20, 1985

## *Store Wars: Scotty's hits 'hot corner'*

### Joins Depot, Lindsley, West on crossroads of 'Home Center U.S.A.'

**By Wyatt Kash**
*NHCN editor*

ST. PETERSBURG — The competitive furor of the home center industry reached new heights earlier this month as Scotty's officially joined Home Depot, Lindsley and West Building Materials on what is now the densest home center retailing corner in America.

The corner lies where 22nd Avenue North crosses 34th Street North on the eastern side of St. Petersburg.

And, with the grand opening May 2 of Scotty's newest and largest store, a 75,000-sq.-ft. six-acre facility, it now offers St. Petersburg shoppers over 200,000 sq. ft. of home center selling space—within shouting distance.

*(Continued on page 74)*

*Scotty's, Home Depot and West (Buildarama) compete for shoppers within a one-block stretch of St. Petersburg, across the street from a Lindsley Home Center (not pictured).* NHCN photo

## Walker-Kurth out of business; ailing chain liquidating

**By Milford Prewitt**
*Special to NHCN*

HOUSTON — The Walker-Kurth Lumber Co., one of Houston's most recognized and oldest home center chains, is going out of business after 34 years, company officials recently announced.

Citing chronic unprofitability, company spokesmen said the chain's inventory will be liquidated through general sales and the buildings housing its five retail outlets—including one in Killeen, a Houston suburb—will be disposed of through normal real estate transactions.

"The Walker-Kurth Lumber yard will no longer continue to operate," said Bob Gehrt, a spokesman for Sante Fe Southern Pacific Corp. of Chicago, a diversified energy, transportation, forestry and real estate conglomerate that has been Walter-Kurth's parent for about 15 years.

"Walker-Kurth had been losing money for a long time, despite our best efforts," Gehrt said. "It's a small operation in comparison to our overall organization and it was our only retail operation."

Some of Walker-Kurth's Houston-based competitors and other industry observers believe that the small home center chain was adversely affected by the city's severe decline in housing construction, and had failed to accurately identify its market.

Walker-Kurth executives declined to be interviewed for official comment about the firm's misfortune and referred all inquiries to the Santa Fe spokesman.

*(Continued on page 74)*

## Dealers getting creative with big-ticket financing

**By Elizabeth Brent**
*NHCN field editor*

**NATIONAL REPORT — In just five months since General Building Products introduced its interest-free kitchen promotion, kitchen sales have tripled, according to Bob Mayer, treasurer at this four-unit company where 1984's kitchen sales represented 12% of the company's $29 million total sales.**

**This is just one example of a growing trend among home centers to offer creative financing in the competitive race for the consumer. On-the-spot credit approval, and in-store easy financing now includes 90-day interest-free loans, $1,000 instant credit, as well as long term fixed rate loans and private label credit cards.**

**In the last 12 months, Somerville Lumber, based in Somerville, Mass., Peter Kuntz Building Centers in Dayton, Ohio, and Wolohan Lumber in Saginaw, Mich., all in-**

*(Continued on page 72)*

## *Levy's unwraps 100,000-ft. unit; 'angles' to stave off competition*

**By Phillip M. Perry**
*NHCN senior editor*

CLARKSVILLE, Ind. — As part of a larger effort to build a 10-store chain by 1990, Levy's Lumber and Building Centers opened the largest store in its history in this Louisville, Ky., suburb on April 18.

With a 100,000-sq.-ft. showroom that is over twice the size of previous units, and bold new merchandising presentations that take off in new directions from the company's more traditional home center look, the Clarksville store provides a clear view of how the new Levy's will firm up its market position in the face of growing competition.

"We like what we have in Clarksville," said Phil Levy, president of the chain that moved close to $20 million out of three units last year. "We think we have a formula that will work, and we are going to roll it out to all of our stores."

While Levy's has dominated the market around its headquarters city of Louisville for decades, new competition has moved into the area over the past six months and more is apparently on the way. Furrow's has opened two of four announced units. One of the units which opened earlier this year is located just a mile from Levy's new unit. Two Homecrafters Warehouses have opened. Builders Square has said it will open two warehouse operations. Long time operators in the area include five 84 Lumber units, two Lowe's (one of which is a quarter mile from the new Levy's and another of which is the largest Lowe's in history), one Wickes Lumber, and several independents.

*Levy family members at store's April 18 grand opening. From left: Jim Levy, merchandise mgr. for plumbing and electricals; William Levy, vp; Sally Levy, director of personnel; Phil Levy, president, and Steve Levy, merchandise mgr., lawn and garden.* NHCN photo

In the face of growing competition, Levy's will spend close to $6 million over the next two years sprucing up its three older units to include some of the merchandising concepts introduced in Clarksville. The company expects to sign a lease by the end of this month for its fifth unit—in a location as yet undisclosed—as part of a larger effort to open six additional stores with similar merchandising concepts over the next five years to firm up its position in the market.

While Levy did not pinpoint locations of the forthcoming stores, he indicated they would most likely be located in western Kentucky (but not necessarily in the Louisville market), and in the southern portion of Indiana, a state which Levy's entered for the first time with the Clarksville unit.

Levy also noted that each of the new stores should have showrooms of from 80,000 to 100,000 sq. ft., and would likely achieve volumes of from $10 million to $15 million, while maintaining the 80% sales ratio to consumers that is traditional with the company.

Levy's spent a year renovating what was formerly a CSC discount store into a prototype of the new Levy's in Clarks-

*(Continued on page 74)*

## NEWSBREAKS

**McCOY'S EXEC DIES IN CRASH.** Dennis McCoy, 28, vp-operations for McCoy's Building Centers, San Marcos, Tex., was killed May 1 when a company-owned two-engine jet crashed in a fog outside Brownwood (Tex.) Municipal Airport. Also killed in the crash was the pilot, Gene Thornton, 48.

**MENARD'S ENTERS NEW MARKETS.** The 25-unit chain will open 68,000-sq.-ft. warehouse units in Rockford, Ill., and Grand Forks, N.D., in July, and by year's end will open warehouses in Racine and Sheboygan, Wis., and two in Des Moines, Iowa, with plans for two more there in spring 1986. Also, 18 existing units have been renovated to warehouses.

*Payless tightens corporate reins* —Page 2
*Winter Hardware Show cancelled* —Page 3
*Ace unveils private label credit card* —Page 3
*Handyman eyes higher profile if spinoff succeeds* —Page 5

NHCNews Briefs

# Industry Update

## Forest City sale info disclosed

CLEVELAND — Forest City Enterprises disclosed that it expected to receive a total of $18,095,000 for the five Chicago area warehouse home centers sold earlier this year to Service Merchandise, Nashville, the parent company of Mr. HOW Warehouse.

In addition to an initial payment of $12,235,000 received Feb. 25, Forest City later received an additional $1,860,000. Service Merchandise also agreed to pay another $4,000,000 for the stores, in installments over a four year period, commencing March 1, 1986.

Forest City, which announced the sale of its Chicago units in early February (*NHCN*, Feb. 11), disclosed the terms in a Form 8-K subsequently filed with the S.E.C.

## Passaglia leaves Grace

BREA, Calif. — The elimination of the senior vp-operations post held by Richard Passaglia at Grace Home Centers West is the latest aftershock in the continuing consolidation of management following the Ole's Home Centers acquisition.

Passaglia, 45, had been named senior vp-operations in December 1984. Previously, he had been senior vp-marketing for Grace's western region since August 1983. Before that, Passaglia held several positions with Wickes Cos., including gm of its Toy World specialty chain, managing director of Wickes Europe and gmm of Wickes Lumber.

## Hechinger opens third whse

LANDOVER, Md. — Hechinger opened its third DIY Warehouse location, in Columbus, Ohio, last month, marking the Landover-based retailer's entry into that state.

Located on Morse Road in Columbus, the new Hechinger store is the 47th unit in the chain.

The company's 46th store also a warehouse, opened in Greensboro, N.C., a week before the April 19th opening of the Columbus unit.

The opening of the Columbus store is part of Hechinger's previously announced plans to add 20 new stores in 24 months. Hechinger also is looking to open new stores in western Pennsylvania, Delaware, New Jersey, South Carolina, Long Island and upstate New York.

## DIY maturing but still growing

NEW YORK — By 1990, about 80% of America's households are expected to be involved with do-it-yourself activity, twice as many than in 1965.

The statistics, presented last month at the DIY Research Institute's fifth annual Investment Community Seminar, indicate that, "the do-it-yourself industry is, indeed, reaching the maturity stage of its development."

A presentation to about 200 industry executives by Dr. Bert C. McCammon Jr., of the University of Oklahoma, suggested factors are converging that indicate the market will remain strong.

- DIY is second only to TV as America's favorite leisure pastime.
- Real DIY sales growth will increase at 5.4% to 8.4% annually through 1990, depending on whose research is used.
- Affluence is growing as is the 35-to-54 age group, prime home improvers.
- Housing turnover should continue to increase.

McCammon, drawing his analysis from a wide variety of reports, concluded that "the DIY industry is moving into a period of sustained, high-level demand."

He added that "with favorable demand and marketing commitment we will have a period of relatively high profitability, like in the late 70's."

Achieving those levels, however, "will be neither easy nor automatic." It will require power retailing and power marketing, he asserted.

## Wickes Cos. completes offering

SANTA MONICA, Calif. — Less than 90 days after its emergence from Chapter 11 bankruptcy proceedings, Wickes Cos. completed an offering covering $533 million of preferred stock and subordinated debt. The proceeds will be used to retire about $125 million in debt and to make an unspecified "major acquisition," a company spokesman said.

Wickes has hinted for several months that it was in the market to acquire another business, in part to utilize tax advantages under net operating loss carry-forward provisions of the law.

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Vol. 11, No. 11 May 20, 1985

# Stanley blames fast track growth for Payless' lackluster earnings

NEW YORK — "Execution" and "disciplne" were the key words used by Payless Cashways officials to describe their plans to turn their company's lackluster earnings around during the rest of 1985.

Security analysts gathered here on May 3 heard Payless' chairman David Stanley concede that "in 1984, we grew too fast," and "it stretched the organization in every possible way." The Kansas City-based chain's earnings last year fell 9% to $37 million on $1.18 billion in sales, and in the first quarter, 1985, the 164-unit chain suffered a 51.5% decline in net income to $1.56 million on sales of $254.9 million, a 22.3% gain.

Consequently, the company in recent months has installed a number of new "systems" which appear to signal far more corporate control over Payless' buying, product mix and advertising.

The responsibility for implementing these changes has been placed in the hands of John Herron, Payless' executive vp and now its second-ranking official with the departure of Harlan Seats just a few days before this analysts meeting.

"We've never really had a retailer at the top of our management," said Stanley in his introduction of Herron, who joined Payless last October after more than 25 years with the J. C. Penney and T.G. & Y. chains. "His background is retailing, and his principal portfolio is execution, where our major sales growth will come from."

Herron, who joked about the interpretation of the word "execution" if his plans didn't work, spelled out what he saw as Payless' main flaws, and what was being done to correct them.

"Our in-stock was hampering our business," he said, indicating that the chain's inventory levels were too high in anticipation of winter sales that did not materialize due to bad weather.

Payless' comparable store sales in January rose only 4%, and were flat in February, so the company mandated a policy which prohibited store managers from reordering merchandise in departments where they were "overbudget" in their stock, without district or regional approval. "We told the guys that your 'checking account' is only so large, and we didn't want them taking on products they already had enough of," said Herron in an interview with *NHCN*.

The results of this policy were that, in the months of March and April, the company was able to reduce its inventory levels by $80 million. And the weather, which Herron blamed for most of Payless' sales weakness in the winter, let up, and revenues in March rose 30% to $127.3 million (with comp-store volume up 12%). In April, sales increased 28% to $122.1 million, with comparable stores up 11%.

"Last year, at this time, we were $25 million under our sales budget," said Steve Lightstone, Payless' vp-finance. "Now, we're only $2 million under, and our year-to-date sales are up 25%, 10% comp-store. I think John has brought discipline to our company, and we're going to be more predictable in

*(Continued on page 73)*

# Harlan Seats resigns post as executive vice president

KANSAS CITY, Mo. — Harlan Seats, who for many Payless Cashways employees is the embodiment of the company, resigned from his post as executive vice president as of May 1.

Seats, 51, who joined Payless in 1966, had seen his responsibilities erode over the past several months after former T.G. & Y. executive John Herron was hired as the chain's second executive vp. Herron will assume most of Seats' responsibilities, including the management of its more than 11,000 employees. However, vp-merchandising John Breedlove will not report to David Stanley, Payless chairman, president and ceo, as will vp-marketing Dale Pond, who had already reported to Stanley.

"When Harlan leaves, there is a vacuum," said Stanley in a recent interview with *NHCN*.

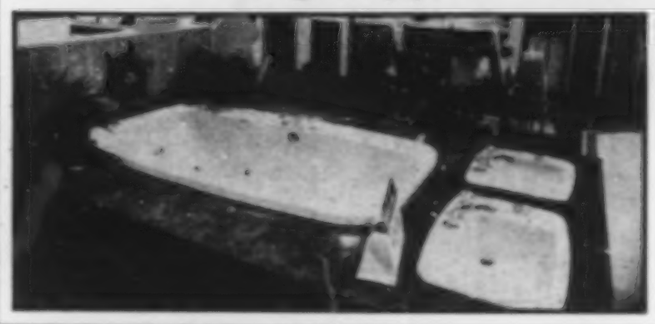
*Harlan Seats*

"It is without question that Harlan has made substantial contributions over the years. He is the person who recognized that we were a chain, and put that format into place,

*(Continued on page 73)*

# Highlights in this issue

## Merchandising Supplement: Kitchen & Bath

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## Advertising & Marketing


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## Systems & Operations


- *Wickes Lumber, the contractor-oriented subsidiary of Wickes Cos. Inc., is scheduled to computerize its Douglasville, Ga., store within the next month, making the facility the third lumberyard in the chain to install a new prototype computer system.* —Page 49
- *When the local 84 Lumber unit in Cleveland holds a window sale this coming summer, its staff will benefit from a new point-of-sale computer system.* —Page 52

# FINANCIAL NEWS

33 Gainers

6 Unchanged

15 Losers

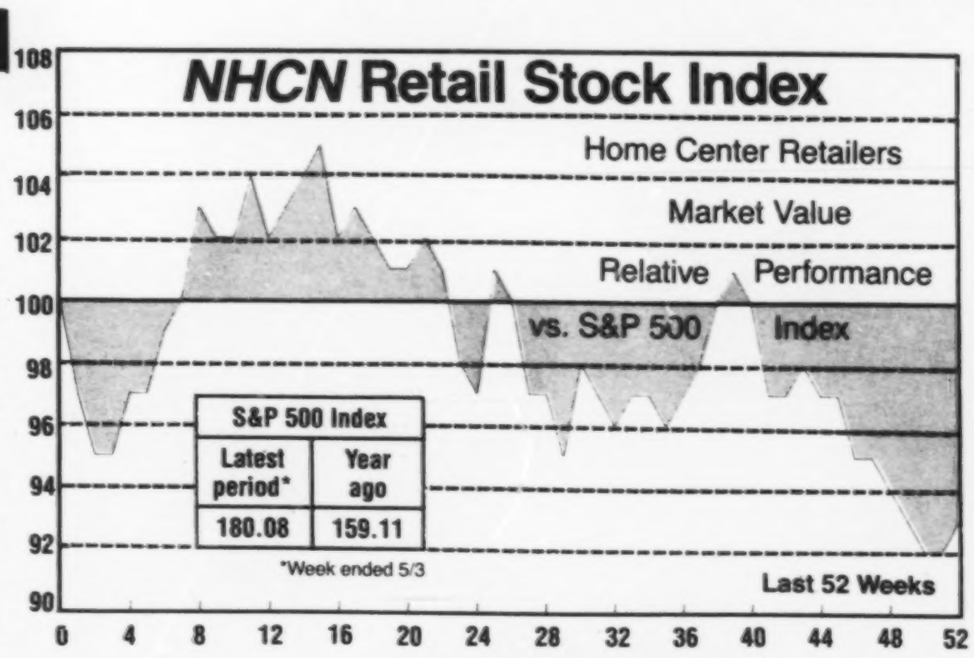
Home center stocks continued their uneven performance since the early part of 1985 as the number of losing issues more than doubled winners, 33 to 15, for the two-week period ended May 3. Six stocks were unchanged.

Homecrafters Warehouse continued a yearlong decline as its stock price fell 6.3% to close on May 3 at $7.50. Evans Products dropped 5.9% to close the two-week period at $2.

Leading the winners' list, Scotts Seaboard, parent of Scott's, the Linthicum, Md., chain, climbed again, closing at $1.50, a 9.1% gain. Payless Cashways' stock increased 7.1% to close the period at $20.63. Other home center retail stocks that showed slight or no increases included Hechinger B, Home Depot, Forest City Ent., Lowe's and Edward Hines Lumber.

Market activity on home center stocks was brisk as 42 of the 54 issues tracked on the Home Center Market Summary traded at a higher volume than their 12-week average.

The *NHCN* Retail Stock Index closed at 93.0, relative to the Standard & Poor's 500 Index, which closed at 180.08, 13% higher than a year ago.




Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

## MOST ACTIVE STOCKS

| Company & Market | Total 2-Week Volume (100) | Volume Trend Change % | 2-Week Price Change % |
|---|---|---|---|
| Grace W R N | 18,330 | 263.5 | - 3.4 |
| Clopay Corp A | 458 | 252.8 | - 7.7 |
| Hechinger A M | 1,915 | 207.9 | .0 |
| Insilco Corp N | 3,762 | 205.8 | - 7.3 |
| Warman Ind M | 3,005 | 200.0 | 5.2 |

| Company & Market | Total 2-Week Volume (100) | Volume Trend Change % | 2-Week Price Change % |
|---|---|---|---|
| Natl Gypsum N | 6,171 | 173.8 | 6.6 |
| Stanley Works N | 7,363 | 170.3 | - 1.8 |
| Masco Corp N | 8,573 | 157.6 | 2.6 |
| Champ Intl N | 33,769 | 133.3 | 6.5 |
| Allegheny Int N | 2,598 | 128.7 | - 9.7 |

## TOP GAINERS

| Company & Market | 2-Weeks Ended 5-3-85 $ | 2-Week Price Change % | Total 2-Week Volume (100) |
|---|---|---|---|
| Scott Seabd O | 1.50 | 9.1 | 28 |
| Payless Cash N | 20.63 | 7.1 | 8,505 |
| Natl Gypsum N | 42.13 | 6.6 | 6,171 |
| Champ Intl N | 22.63 | 6.5 | 33,769 |
| USG Corp N | 34.13 | 6.2 | 11,001 |

## TOP LOSERS

| Company & Market | 2-Weeks Ended 5-3-85 $ | 2-Week Price Change % | Total 2-Week Volume (100) |
|---|---|---|---|
| Manville Cp N | 6.00 | - 15.8 | 6,912 |
| MacMlln Bldel N | 16.75 | - 10.1 | 180 |
| Allegheny Int N | 24.38 | - 9.7 | 2,598 |
| Color Tile M | 15.38 | - 8.2 | 3,352 |
| Clopay Corp A | 24.00 | - 7.7 | 458 |

## Home Center News HOME CENTER INDUSTRY MARKET SUMMARY

| Company and Market | Stock Market: Price: 2-Weeks Ended 5-03-85 $ | 2-Weeks Change Amt. $ | 2-Weeks Change Pct. % | 2-Week Range High $ | 2-Week Range Low $ | 52-Week Range High $ | 52-Week Range Low $ | Volume: 2-Weeks Shares Traded Total (100) | % Out % | 12-Week Avg. Vol. As % Out % | Volume Trend Change % | P/E Ratio - | Indicated Divd. Rate Amt. $ | Yld. % | Latest Report: New Report - | Period - | Date Ended - | Latest Quarter: Revenue Amt. $Mil | Revenue Chg. % | Net Income Amt. $Mil | Net Income Chg. % | E.P.S. Amt. $ | E.P.S. Chg. % | Year-to-Date: Revenue Amt. $Mil | Revenue Chg. % | Net Income Amt. $Mil | Net Income Chg. % | E.P.S. Amt. $ | E.P.S. Chg. % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Retailers** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Boise Cascade N | 38.88 | - 2.88 | - 6.9 | 41.75 | 38.25 | 44.63 | 32.50 | 3,663 | 1.34 | 1.71 | - 21.6 | 16.2 | 1.90 | 4.9 | NEW | 3 mos. | 03-85 | 957.5 | 1.0 | 33.3 | 19.4 | 1.12 | 17.9 | 957.5 | 1.0 | 33.3 | 19.4 | 1.12 | 17.9 |
| Color Tile M | 15.38 | - 1.38 | - 8.2 | 16.63 | 15.38 | 20.00 | 13.63 | 3,352 | 3.63 | 3.28 | 10.7 | 10.9 | .00 | .0 | NEW | 9 mos. | 03-85 | 90.7 | 14.7 | 3.1 | - 20.5 | .33 | - 19.5 | 249.4 | 18.4 | 9.3 | - 8.8 | 1.01 | - 1.9 |
| Edison Bros N | 34.75 | .38 | 1.1 | 35.38 | 34.38 | 39.50 | 31.50 | 660 | .65 | .68 | - 4.4 | 10.9 | 1.60 | 4.6 | ..... | fiscal | 12-84 | 277.2 | - 9.3 | 8.4 | - 61.3 | .82 | - 59.0 | 1054.7 | 3.3 | 32.9 | 32.7 | 3.19 | - 29.3 |
| Erb Lumber O | 22.00 | - .50 | - 2.2 | 23.50 | 22.00 | 22.50 | 18.00 | 7 | .08 | .23 | - 65.2 | 6.7 | .00 | .0 | NEW | fiscal | 12-84 | 35.8 | 8.5 | .8 | NE | .98 | NE | 147.4 | 9.0 | 2.9 | 38.1 | 3.27 | 42.8 |
| Evans Prod N | 2.00 | - .13 | - 5.9 | 2.25 | 2.00 | 7.63 | 1.75 | 532 | .39 | 1.44 | - 72.9 | NE | .00a | .0 | NEW | fiscal | 12-84 | 376.4 | - 1.3 | 3.2 | NE | .15 | NE | 1406.4 | 4.0 | (49.4) | NE | (3.89) | NE |
| Forest City Ent A | 21.00 | .13 | .6 | 21.00 | 20.63 | 22.25 | 15.00 | 14 | .03 | .05 | - 40.0 | 67.7 | .15 | .7 | ..... | 9 mos. | 10-84 | 85.8 | 284.8 | 2.7 | NC | .34 | NC | 256.5 | 37.5 | 3.1 | - 35.4 | .39 | - 35.0 |
| Grace W R N | 39.00 | - 1.38 | - 3.4 | 40.75 | 38.50 | 44.50 | 36.50 | 18,330 | 3.78 | 1.04 | 263.5 | 10.3 | 2.80 | 7.2 | NEW | 3 mos. | 03-85 | 1580.0 | 5.5 | 35.5 | - 22.7 | .72 | - 23.4 | 1580.0 | 5.5 | 35.5 | - 22.7 | .72 | - 23.4 |
| Hechinger A M | 26.00 | .00 | .0 | 26.00 | 25.75 | 26.00 | 13.50 | 1,915 | 2.74 | .85 | 207.9 | NA | .16 | .6 | ..... | | 00-00 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Hechinger B M | 28.50 | .50 | 1.8 | 28.50 | 27.50 | 28.50 | 14.75 | 558 | .50 | .46 | 8.7 | 24.8 | .10 | .4 | ..... | fiscal | 01-85 | 102.4 | 29.6 | 6.1 | 19.6 | .34 | 17.2 | 405.1 | 30.9 | 20.9 | 29.0 | 1.15 | 27.8 |
| Hines Ed Lumber O | 39.50 | .00 | .0 | 40.75 | 39.50 | 43.75 | 32.50 | 85 | .48 | .28 | 71.4 | 5.1 | 1.00 | 2.5 | ..... | fiscal | 12-84 | 68.4 | 10.3 | 8.8 | 2833.3 | 6.44 | 3477.8 | 280.8 | 12.5 | 11.1 | 516.7 | 7.74 | 651.5 |
| Homecrafters Whse M | 7.50 | - .50 | - 6.3 | 8.25 | 7.50 | 16.25 | 5.25 | 485 | 1.72 | 3.13 | - 45.0 | 35.7 | .00 | .0 | ..... | fiscal | 10-84 | 41.3 | 58.2 | (2.3) | - 100.0 | (.81) | - 100.0 | 121.2 | 54.6 | (1.6) | - 100.0 | (.55) | - 100.0 |
| Home Depot N | 18.00 | .25 | 1.4 | 18.38 | 17.00 | 27.88 | 12.00 | 2,937 | 1.17 | 1.53 | - 23.5 | 32.1 | .00 | .0 | ..... | fiscal | 01-85 | 117.4 | 42.3 | 3.6 | 9.1 | .14 | 7.7 | 432.8 | 68.9 | 14.1 | 36.9 | .56 | 36.6 |
| K mart Cp N | 34.00 | - .25 | - .7 | 34.88 | 33.13 | 41.50 | 27.13 | 29,221 | 2.34 | 1.77 | 32.2 | 8.9 | 1.40 | 4.1 | ..... | fiscal | 01-85 | 6875.5 | 21.6 | 204.3 | - 17.8 | 1.57 | - 17.8 | 21095.9 | 13.4 | 499.1 | 1.4 | 3.84 | 1.1 |
| Lowe's Cos N | 26.75 | .00 | .0 | 27.13 | 26.13 | 30.00 | 16.25 | 3,151 | .87 | .69 | 26.1 | 15.7 | .36 | 1.3 | ..... | fiscal | 01-85 | 375.9 | 13.6 | 10.5 | 10.5 | .29 | 11.5 | 1688.8 | 18.0 | 61.4 | 21.3 | 1.70 | 21.4 |
| Mich General A | 6.25 | - .25 | - 3.8 | 6.50 | 6.00 | 8.50 | 4.63 | 1,052 | .93 | .71 | 31.0 | 13.6 | .00 | .0 | ..... | fiscal | 12-84 | 105.1 | - 7.0 | .6 | NC | .04 | NE | 449.4 | 134.1 | 5.4 | 63.6 | .46 | 24.3 |
| Natl Lumber M | 5.25 | - .25 | - 4.5 | 6.00 | 5.13 | 7.50 | 4.50 | 338 | .60 | .52 | 15.4 | 21.9 | .00 | .0 | ..... | fiscal | 12-84 | 31.8 | 7.8 | .3 | 200.0 | .06 | 200.0 | 127.9 | 12.7 | 1.3 | - 40.9 | .24 | - 48.9 |
| Pay N Pak N | 12.75 | - .38 | - 2.9 | 13.50 | 12.25 | 17.50 | 11.50 | 2,717 | 2.72 | 1.40 | 94.3 | 12.6 | .60 | 4.7 | NEW | fiscal | 02-85 | 61.5 | 15.2 | 1.2 | - 45.5 | .12 | - 50.0 | 305.2 | 22.3 | 10.1 | 1.0 | 1.01 | - 9.0 |
| Payless Cash N | 20.63 | 1.38 | 7.1 | 20.75 | 19.25 | 21.25 | 13.50 | 8,505 | 2.48 | 1.62 | 53.1 | 18.6 | .16 | .8 | ..... | 3 mos. | 02-85 | 254.9 | 29.1 | 1.6 | - 38.5 | .05 | - 44.4 | 254.9 | 29.1 | 1.6 | - 38.5 | .05 | - 44.4 |
| Scott Seabd O | 1.50 | .13 | 9.1 | 2.00 | 1.38 | 3.00 | 1.00 | 28 | .15 | .08 | 87.5 | 15.0 | .00 | .0 | ..... | fiscal | 01-85 | 7.9 | 3.9 | .0 | NE | (.02) | NE | 37.4 | 6.6 | .2 | - 71.4 | .10 | - 73.7 |
| Scotty's Inc N | 13.63 | - .13 | - .9 | 14.00 | 13.25 | 16.38 | 11.38 | 1,172 | .88 | .49 | 79.6 | 10.2 | .52 | 3.8 | NEW | 9 mos. | 03-85 | 121.7 | 6.0 | 5.0 | - 12.3 | .38 | - 13.6 | 333.0 | 7.2 | 12.0 | - 1.6 | .90 | - 6.3 |
| Sears, Roebuck N | 34.25 | 1.88 | 5.8 | 34.50 | 32.13 | 37.63 | 29.75 | 51,188 | 1.42 | .69 | 105.8 | 8.5 | 1.76 | 5.1 | NEW | 3 mos. | 03-85 | 8902.9 | 5.4 | 223.3 | 4.4 | .60 | .0 | 8902.9 | 5.4 | 223.3 | 4.4 | .60 | .0 |
| SW Forest Ind N | 12.25 | - .38 | - 3.0 | 12.75 | 11.75 | 22.13 | 11.75 | 2,527 | 2.72 | 1.32 | 106.1 | 40.8 | .00 | .0 | NEW | 3 mos. | 03-85 | 170.5 | - 2.5 | (1.6) | - 100.0 | (.33) | - 100.0 | 170.5 | - 2.5 | (1.6) | - 100.0 | (.33) | - 100.0 |
| Std Brd Prt N | 19.88 | - .63 | - 3.0 | 20.88 | 19.50 | 21.25 | 16.50 | 2,528 | 2.27 | 1.55 | 46.5 | 10.6 | .54 | 2.7 | NEW | fiscal | 01-85 | 70.7 | 6.0 | 4.5 | 36.4 | .40 | 33.3 | 314.9 | 6.1 | 20.8 | 11.8 | 1.87 | 11.3 |
| Supermkts Gen N | 38.88 | - 1.38 | - 3.4 | 40.75 | 38.38 | 40.75 | 19.75 | 1,089 | .61 | .94 | - 35.1 | 13.2 | .42 | 1.1 | ..... | fiscal | 01-85 | 1336.1 | 46.0 | 22.1 | 62.5 | 1.25 | 62.3 | 4346.7 | 23.6 | 52.4 | 28.7 | 2.95 | 28.3 |
| Wickhan Lumber M | 6.00 | - .25 | - 4.0 | 6.25 | 6.00 | 7.00 | 4.00 | 523 | .89 | .92 | - 3.3 | 13.3 | .16 | 2.7 | ..... | fiscal | 12-84 | 36.2 | 27.0 | .8 | 300.0 | .14 | 250.0 | 139.2 | 23.8 | 2.6 | 100.0 | .45 | 95.7 |
| **Wholesalers** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lewis Palmer M | 8.25 | - .38 | - 4.3 | 8.63 | 8.00 | 9.75 | 7.09 | 368 | .99 | 1.06 | - 6.6 | 26.6 | .28b | 3.4 | NEW | fiscal | 01-85 | 30.7 | 25.3 | (.3) | - 100.0 | (.10) | - 100.0 | 144.4 | 19.3 | 1.1 | - 38.9 | .31 | - 53.7 |
| **Manufacturers** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Allegheny Int N | 24.38 | - 2.63 | - 9.7 | 27.00 | 24.00 | 28.75 | 18.75 | 2,598 | 2.47 | 1.08 | 128.7 | NE | 1.40 | 5.7 | NEW | fiscal | 12-84 | 580.7 | - 8.1 | (17.6) | - 100.0 | (2.53) | - 100.0 | 2115.3 | - 9.9 | 14.9 | - 47.3 | (2.51) | NE |
| Am Standard N | 27.50 | - 1.25 | - 4.3 | 29.25 | 27.25 | 35.38 | 22.88 | 7,630 | 1.96 | 1.01 | 94.1 | 9.0 | 1.60 | 5.8 | ..... | fiscal | 12-84 | 862.4 | 50.1 | 30.8 | 71.1 | .78 | 20.0 | 3214.5 | 47.4 | 114.9 | 83.5 | 3.07 | 35.2 |
| Armstrng Wrld N | 33.00 | - 1.25 | - 3.6 | 34.75 | 32.25 | 38.00 | 22.88 | 7,830 | 3.28 | 1.64 | 100.0 | 8.7 | 1.20 | 3.6 | ..... | fiscal | 12-84 | 382.4 | 7.4 | 18.8 | 43.5 | .79 | 51.9 | 1569.2 | 9.0 | 92.2 | 46.1 | 3.79 | 49.8 |
| Black & Decker N | 19.75 | - 1.50 | - 7.1 | 21.88 | 19.50 | 26.88 | 17.25 | 11,533 | 2.29 | 1.67 | 37.1 | 11.2 | .64 | 3.2 | NEW | 6 mos. | 03-85 | 403.1 | 26.4 | 14.8 | - 35.9 | .29 | - 40.8 | 906.1 | 33.8 | 43.8 | - 12.0 | .86 | - 18.1 |
| Certain-teed N | 23.63 | .00 | .0 | 23.75 | 22.25 | 27.13 | 15.75 | 1,549 | .82 | .69 | 18.8 | 11.1 | .70 | 3.0 | ..... | 3 mos. | 03-85 | 252.9 | - 9.3 | 8.2 | - 9.9 | .41 | - 8.9 | 252.9 | - 9.3 | 8.2 | - 9.9 | .41 | - 8.9 |
| Champ Intl N | 22.63 | 1.38 | 6.5 | 23.63 | 21.13 | 26.75 | 16.88 | 33,769 | 3.64 | 1.56 | 133.3 | NE | .40 | 1.8 | NEW | 3 mos. | 03-85 | 1645.8 | 43.4 | 43.8 | 50.5 | .43 | - 6.5 | 1645.8 | 43.4 | 43.8 | 50.5 | .43 | - 6.5 |
| Clopay Corp A | 24.00 | - 2.00 | - 7.7 | 26.25 | 22.38 | 27.75 | 13.63 | 458 | 3.81 | 1.08 | 252.8 | 12.8 | .16 | .7 | NEW | 3 mos. | 03-85 | 29.2 | 5.4 | (.5) | NE | (.36) | NE | 29.2 | 5.4 | (.5) | NE | (.36) | NE |
| DeSoto Inc N | 33.75 | .00 | .0 | 35.75 | 33.75 | 37.88 | 26.75 | 401 | .84 | .42 | 100.0 | 11.0 | 1.40 | 4.1 | ..... | 3 mos. | 03-85 | 93.0 | 4.8 | .8 | - 77.8 | .17 | - 73.8 | 93.0 | 4.8 | .8 | - 77.8 | .17 | - 73.8 |
| Enhart Corp N | 27.00 | - 1.13 | - 4.0 | 28.75 | 26.75 | 32.25 | 24.53 | 2,051 | .74 | .54 | 37.0 | 9.2 | 1.40b | 5.2 | NEW | 3 mos. | 03-85 | 419.9 | - 8.9 | 14.1 | - 33.5 | .51 | - 40.0 | 419.9 | - 8.9 | 14.1 | - 33.5 | .51 | - 40.0 |
| Georgia-Pacific N | 21.38 | - 1.75 | - 7.6 | 23.13 | 20.50 | 27.38 | 18.00 | 19,570 | 1.91 | 1.22 | 56.6 | 20.8 | .80 | 3.7 | NEW | 3 mos. | 03-85 | 1580.0 | 6.2 | 49.0 | - 3.9 | .43 | 16.2 | 1580.0 | 6.2 | 49.0 | - 3.9 | .43 | 16.2 |
| Insilco Corp N | 17.50 | - 1.38 | - 7.3 | 19.13 | 17.25 | 20.72 | 13.31 | 3,762 | 2.11 | .69 | 205.8 | 9.6 | 1.00b | 5.7 | ..... | fiscal | 12-84 | 180.9 | 12.1 | 7.3 | 5.8 | .40 | 5.3 | 786.9 | 16.7 | 33.0 | - 3.8 | 1.82 | - 4.2 |
| La Pacific N | 19.38 | - 1.00 | - 4.9 | 20.50 | 19.25 | 24.75 | 16.50 | 3,148 | .92 | .77 | 19.5 | 15.8 | .78b | 4.0 | ..... | fiscal | 12-84 | 283.7 | - 3.0 | 21.0 | 195.8 | .64 | 204.8 | 1230.0 | 11.6 | 42.2 | 51.3 | 1.23 | 50.0 |
| MacMlln Bldel N | 16.75 | - 1.88 | - 10.1 | 18.75 | 16.75 | 21.91 | 16.75 | 180 | .06 | .05 | 20.0 | NE | .00a | .0 | ..... | fiscal | 12-84 | 578.5 | 11.0 | 24.0 | 77.8 | .58 | 87.1 | 2127.6 | 4.1 | 19.3 | 589.3 | (.20) | NE |
| Manville Cp N | 6.00 | - 1.13 | - 15.8 | 7.25 | 5.25 | 10.63 | 5.25 | 6,912 | 2.88 | 1.35 | 113.3 | 2.8 | .00 | .0 | ..... | fiscal | 12-84 | 472.6 | 9.6 | 18.2 | 1416.7 | .50 | NE | 1873.5 | 8.3 | 77.2 | 14.9 | 2.18 | 23.9 |
| Masco Corp N | 30.00 | .75 | 2.6 | 30.00 | 28.50 | 33.50 | 22.50 | 8,573 | 1.52 | .59 | 157.6 | 15.0 | .56 | 1.9 | ..... | fiscal | 12-84 | 214.7 | - 20.9 | 21.7 | - 27.2 | .33 | - 35.3 | 1019.7 | - 3.8 | 115.9 | 8.7 | 2.00 | 8.7 |
| Natl Gypsum N | 42.13 | 2.63 | 6.6 | 42.25 | 37.63 | 45.25 | 27.00 | 6,171 | 3.97 | 1.45 | 173.8 | 6.1 | 2.00 | 4.7 | ..... | fiscal | 12-84 | 429.2 | 38.7 | 25.2 | 87.0 | 1.62 | 45.9 | 1717.5 | 51.9 | 106.8 | 116.6 | 6.86 | 127.9 |
| Newell Cos N | 15.88 | .00 | .0 | 16.38 | 15.75 | 19.00 | 13.25 | 759 | .88 | .41 | 114.6 | 9.8 | .50 | 3.1 | ..... | fiscal | 12-84 | 89.8 | 24.5 | 4.2 | 16.7 | .46 | 12.2 | 308.4 | 30.2 | 14.2 | 9.2 | 1.62 | 6.6 |
| Owens Corning N | 31.25 | - .25 | - .8 | 32.63 | 30.88 | 37.00 | 25.13 | 5,736 | 1.54 | .99 | 96.0 | 7.6 | 1.40 | 4.5 | ..... | 3 mos. | 03-85 | 678.0 | - 2.4 | 28.0 | 35.3 | .95 | 35.7 | 678.0 | - 2.4 | 28.0 | 35.3 | .95 | 35.7 |
| Pope & Talbot N | 19.50 | .25 | 1.3 | 19.75 | 19.13 | 20.00 | 15.00 | 261 | .44 | .29 | 51.7 | NE | .80 | 4.1 | ..... | fiscal | 12-84 | 78.9 | 6.2 | (4.7) | - 100.0 | (.79) | - 100.0 | 320.0 | 11.9 | (.6) | - 100.0 | (.10) | - 100.0 |
| Potlatch Cp N | 34.50 | .25 | .7 | 34.75 | 32.75 | 38.13 | 25.75 | 860 | .56 | .97 | - 42.3 | 12.3 | 1.56 | 4.5 | ..... | fiscal | 12-84 | 236.1 | 1.2 | 10.0 | - 1.0 | .58 | 16.0 | 993.9 | 9.6 | 49.6 | 22.5 | 2.80 | 37.9 |
| Sherwin-Wms N | 35.25 | 1.25 | 3.7 | 35.50 | 33.63 | 35.50 | 24.00 | 3,363 | 1.50 | .94 | 59.6 | 12.4 | .92 | 2.6 | ..... | fiscal | 12-84 | 501.5 | 6.8 | 9.1 | 24.7 | .41 | 17.1 | 2075.2 | 5.2 | 65.0 | 17.3 | 2.84 | 22.4 |
| Stanley Works N | 27.63 | - .50 | - 1.8 | 28.75 | 26.50 | 30.38 | 19.50 | 7,363 | 2.73 | 1.01 | 170.3 | 10.6 | .96 | 3.5 | ..... | fiscal | 12-84 | 306.0 | 16.3 | 22.4 | 7.2 | .81 | 8.0 | 1158.4 | 17.8 | 72.4 | 36.6 | 2.60 | 35.4 |
| Thos Inds N | 15.75 | - .63 | - 3.8 | 16.38 | 15.75 | 18.88 | 12.38 | 192 | .23 | .19 | 21.1 | 8.9 | .68b | 4.3 | NEW | 3 mos. | 03-85 | 73.9 | 17.5 | 3.2 | - 22.0 | .37 | - 22.9 | 73.9 | 17.5 | 3.2 | - 22.0 | .37 | - 22.9 |
| Triangle Pac N | 26.75 | - 1.25 | - 4.5 | 28.00 | 26.75 | 31.25 | 20.75 | 1,225 | 3.01 | 3.10 | - 2.9 | 8.1 | 1.00 | 3.7 | NEW | 3 mos. | 03-85 | 62.1 | .6 | 2.6 | 4.0 | .62 | 3.3 | 62.1 | .6 | 2.6 | 4.0 | .62 | 3.3 |
| USG Corp N | 34.13 | 2.00 | 6.2 | 34.25 | 30.75 | 35.63 | 22.50 | 11,001 | 3.33 | 1.55 | 114.8 | 6.0 | 1.68 | 4.9 | NEW | 3 mos. | 03-85 | 588.3 | 22.4 | 42.5 | 7.6 | 1.28 | 7.6 | 588.3 | 22.4 | 42.5 | 7.6 | 1.28 | 7.6 |
| Walter, Jim N | 31.63 | - .88 | - 2.7 | 34.13 | 31.00 | 37.00 | 22.00 | 4,282 | 1.97 | 1.25 | 57.6 | 6.5 | 1.40 | 4.4 | ..... | 6 mos. | 02-85 | 526.3 | - 6.8 | 15.0 | 30.4 | .69 | 32.7 | 1084.6 | - 3.9 | 42.1 | 24.2 | 1.93 | 24.5 |
| Warman Ind M | 10.13 | .50 | 5.2 | 11.00 | 9.63 | 12.89 | 3.50 | 3,005 | 11.82 | 3.94 | 200.0 | 14.1 | .08 | .8 | ..... | 6 mos. | 12-84 | 20.4 | 121.7 | .5 | 150.0 | .20 | 233.3 | 40.9 | 109.7 | 1.2 | 200.0 | .47 | 213.3 |
| Weyerhaeuser N | 27.88 | - 1.00 | - 3.5 | 29.00 | 27.00 | 34.00 | 25.00 | 14,814 | 1.13 | .84 | 34.5 | 18.2 | 1.30 | 4.7 | NEW | 3 mos. | 03-85 | 1275.7 | - .1 | 38.2 | 4.4 | .24 | 4.3 | 1275.7 | - .1 | 38.2 | 4.4 | .24 | 4.3 |

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

**Reporting period**
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

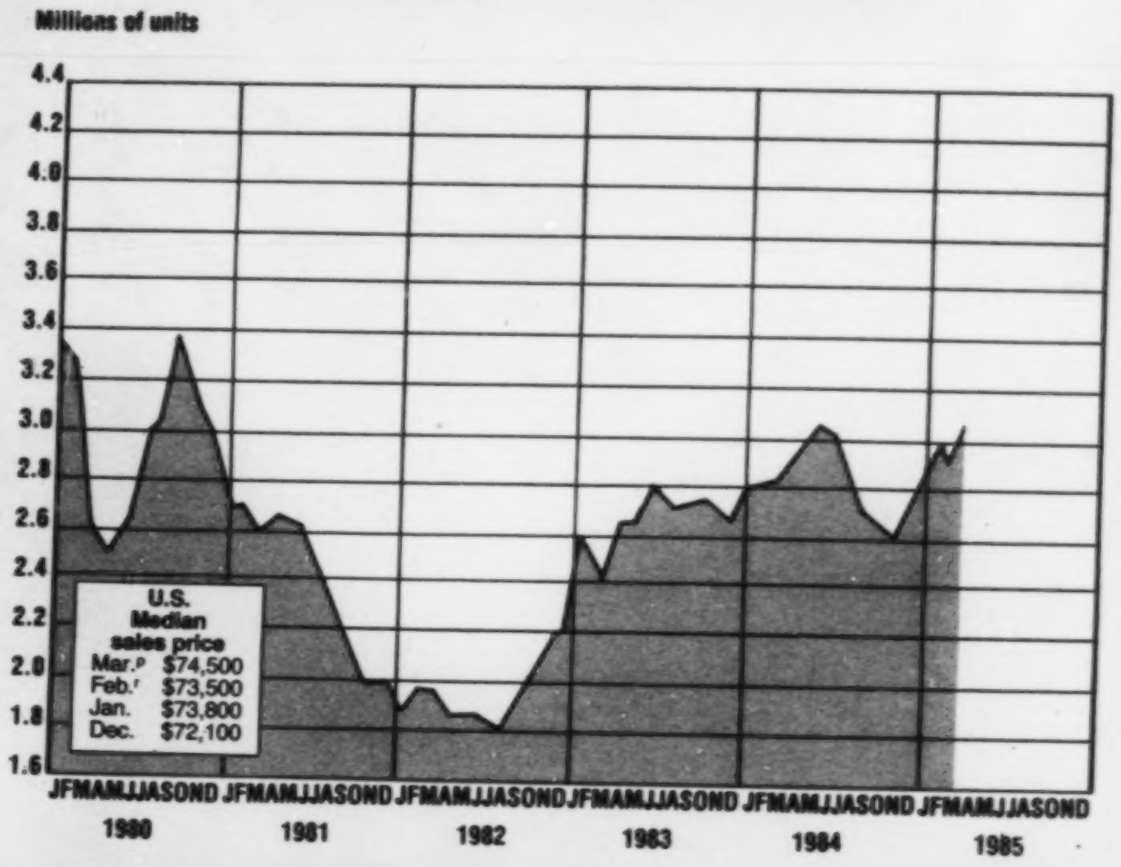
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure

a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

**Market**
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

## HOUSING WATCH

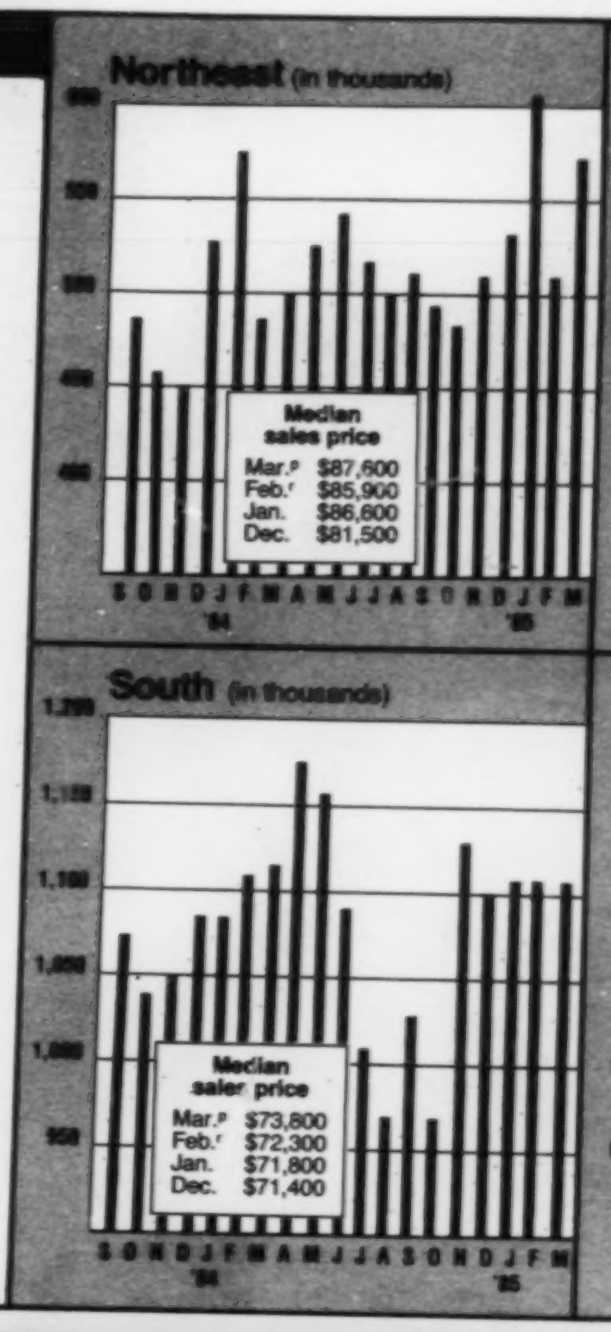
### *Existing single-family home sales*

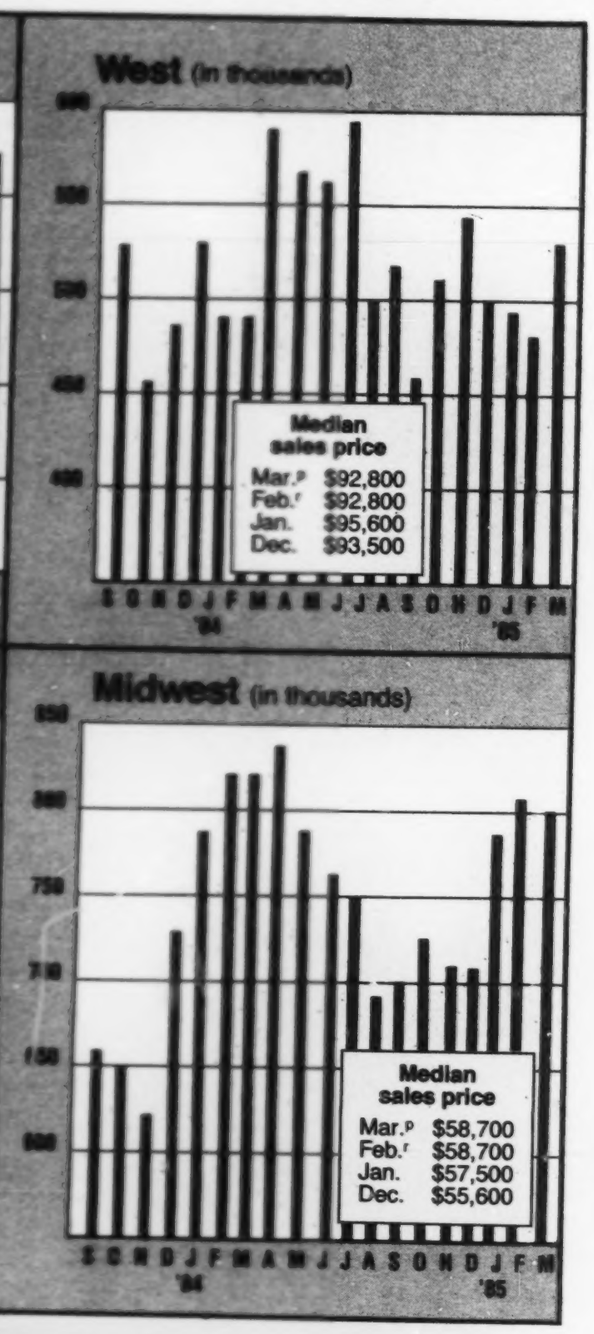



*Home resales climbed to the highest level in over four years in March, up 5.9% over the previous month to 3.05 million units, seasonally adjusted, according to the Nat'l Association of Realtors. All regions recorded an increase with the highest in the Northeast, up 11.8% to 570,000 units.*

p = preliminary r = revised

Source: Nat'l Assn. of Realtors

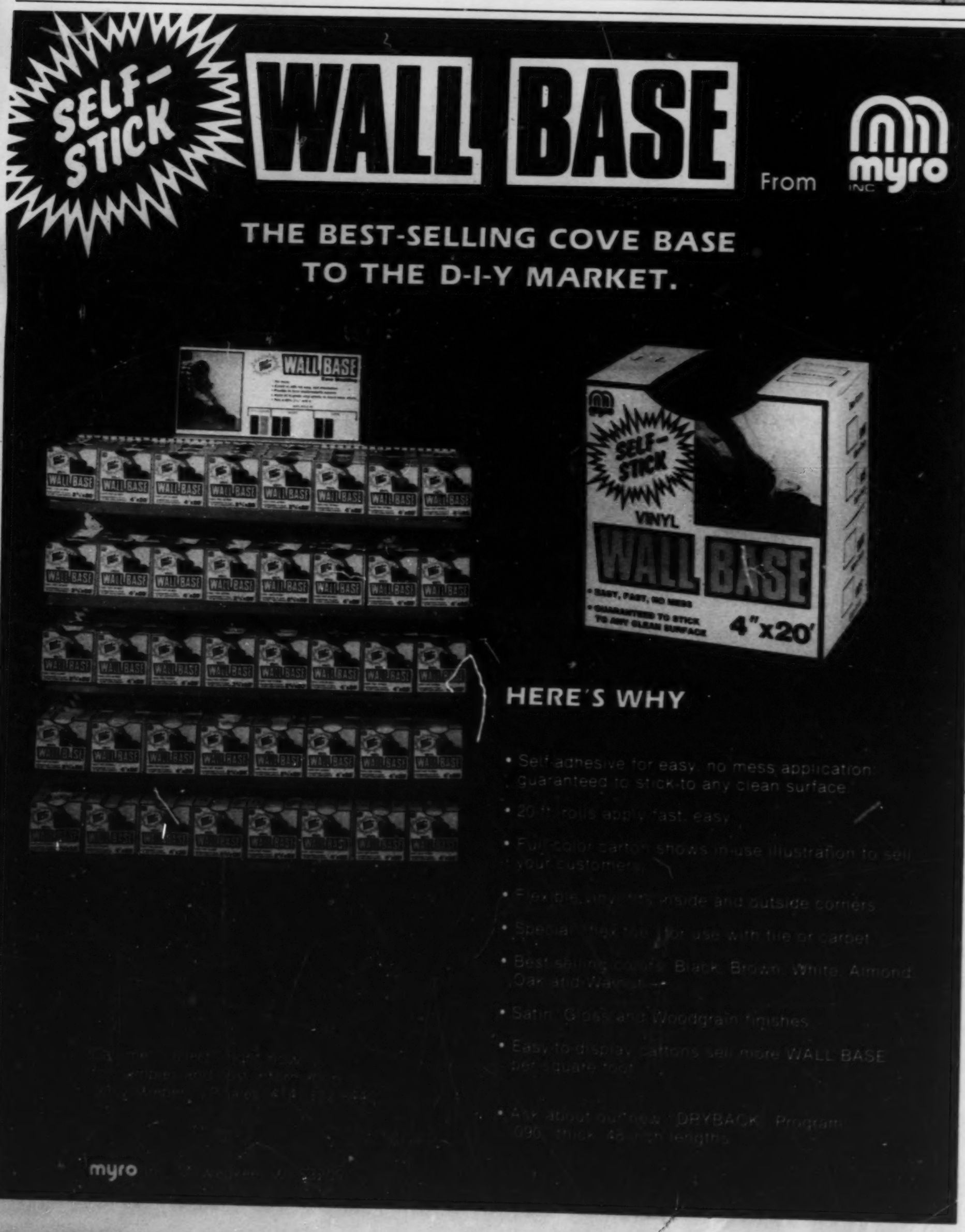






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• Best selling colors: Black, Brown, White, Almond, Oak and Walnut
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• Easy to display, cartons sell more WALL BASE per square foot
• Ask about our new "DRYBACK" Program
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## New & existing sales climb during March

NATIONAL REPORT — Housing demand was strong in March as both new and existing single-family home sales surged.

The sales of new single family homes rose by 8.9%, from February's revised 641,000 units, seasonally adjusted, to 698,000 units in March, according to the Dept. of Commerce. The inventory of houses left unsold declined by 1.1% to 358,000 units, its lowest since October 1984, and could lead to a further increase in building activity.

Existing single family home sales rose by 5.9% to 3.05 million units, seasonally adjusted, which is the highest level in over four years, according to the National Assn. of Realtors (NAR). The last time home resales were at an equivalent level was in November 1980, when 3.05 million units also changed hands.

This renewal in home sales activity reflects a further improvement in affordability as interest rates fell in March from February's figure of 12.36% to 12.28%, according to the Federal Home Loan Bank Board.

"As interest rates decline an increasing number of families are able to satisfy their housing need," said David L. Roberts, president of the NAR, which estimated that the new low rates allowed a further 125,000 more families to purchase houses in March than in the previous month.

The surge in existing home sales was recorded in all four regions, but the Northeast had the greatest increase in resale activity as 570,000 units changed hands, a rise of 11.8% above February's slow sales rate.

The West ended its three-month decline in home resales, which rose 6.7% to 530,000 units, seasonally adjusted, while the median sale price stabilized at $92,800. New home sales were particularly strong in the West, rising 17.5% in March to 183,000 units.

The nationwide median sale price of a resale home rose $1,000 in March to $74,500, which was 3.8% higher than the March 1984 price of $71,800.

LUMBER REPORT

# Trade associations unveil new marketing plans

By Ronald R. Gurczynski
*NHCN associate editor*

NATIONAL REPORT — Marketing campaigns, aimed at increasing the use of plywood and other wood products, have recently been unveiled by two industry associations.

The Market Action Plan (MAP), developed by the American Plywood Association (APA), is an attempt to focus promotional dollars on one segment of the plywood market at a time—residential, nonresidential, industrial and distribution.

The Wood Products Promotion Council (WWPC) is using cartoon characters Fred Flintstone and Barney Rubble to convey the "Get out of the Stone Age" theme of a new advertising campaign for permanent wood foundations.

With the MAP program, the APA will provide basic-level promotion to all its four markets, but it will focus attention, and funds, during a 12-month period on a single market. The next 12-month period will target another market for emphasis, and so on.

Each 12-month MAP period will overlap with another so that any calendar year will actually contain two MAP programs. As an example, commercial roof decks have been targeted for special emphasis beginning in June 1985 and extending through June 1986. Meanwhile, the distribution market will receive MAP emphasis in January 1986. During the first six months of 1986, therefore, both commercial roof decks and the distribution market will receive special emphasis.

A third MAP program will begin in June 1986 so that, again, during the last six months of 1986, two MAP projects will be targeted. Once the entire cycle has been completed, the rotation of target markets will begin again. Markets that aren't being targeted at any one time will continue to receive maintenance funding to keep them going.

The Market Action Plan primarily affects the APA's advertising since advertising constitutes the largest share of the association's front-line promotional budget. However, the program will also cover the allocation of financial and human resources in all promotional areas.

In addition to focusing resources for maximum benefits, the Market Action Plan also encourages the association to take a long-term planning view.

The first MAP project, for wood roof systems, is not scheduled to officially commence until June. However, research meetings have already been scheduled to help determine how to reach and influence key decision makers. Other in-depth market research is planned, with full-scale promotion to begin in two months.

"Nonresidential wood roof systems were targeted for special MAP attention for several key reasons," said Dave Rogoway, APA marketing vp. "First, it's a vast structural wood panel market with excellent potential for growth. And second, new technical data is being developed that is expected to enhance the opportunity to penetrate key markets in the South and East."

Wood roof systems currently account for roughly 50% of structural roof panel demand in the nonresidential market. Yet the structural wood panel share of the total nonresidential roof system market is only about 34%. Much opportunity exists, particularly in the South and East.

The Flintstone ad series, developed by the Seattle, Wash.-based Cole & Weber agency for the WWPC, debuted last month in national builder publications. A key thrust of the advertising is the positioning of the wood foundation system as superior to concrete.

In the first of four full-page ads, WPPC presents the permanent wood foundation as a new technology system which offers many advantages for builders and homeowners. In addition to the full page ad, there will be a series of four one-third page vertical cartoon strips.

The APA is the lead association in a five-year WWPC program aimed at building the present small permanent wood foundation market to a 10% share of the full and partial basement market in selected target metropolitan areas in the United States.

## FUTURES

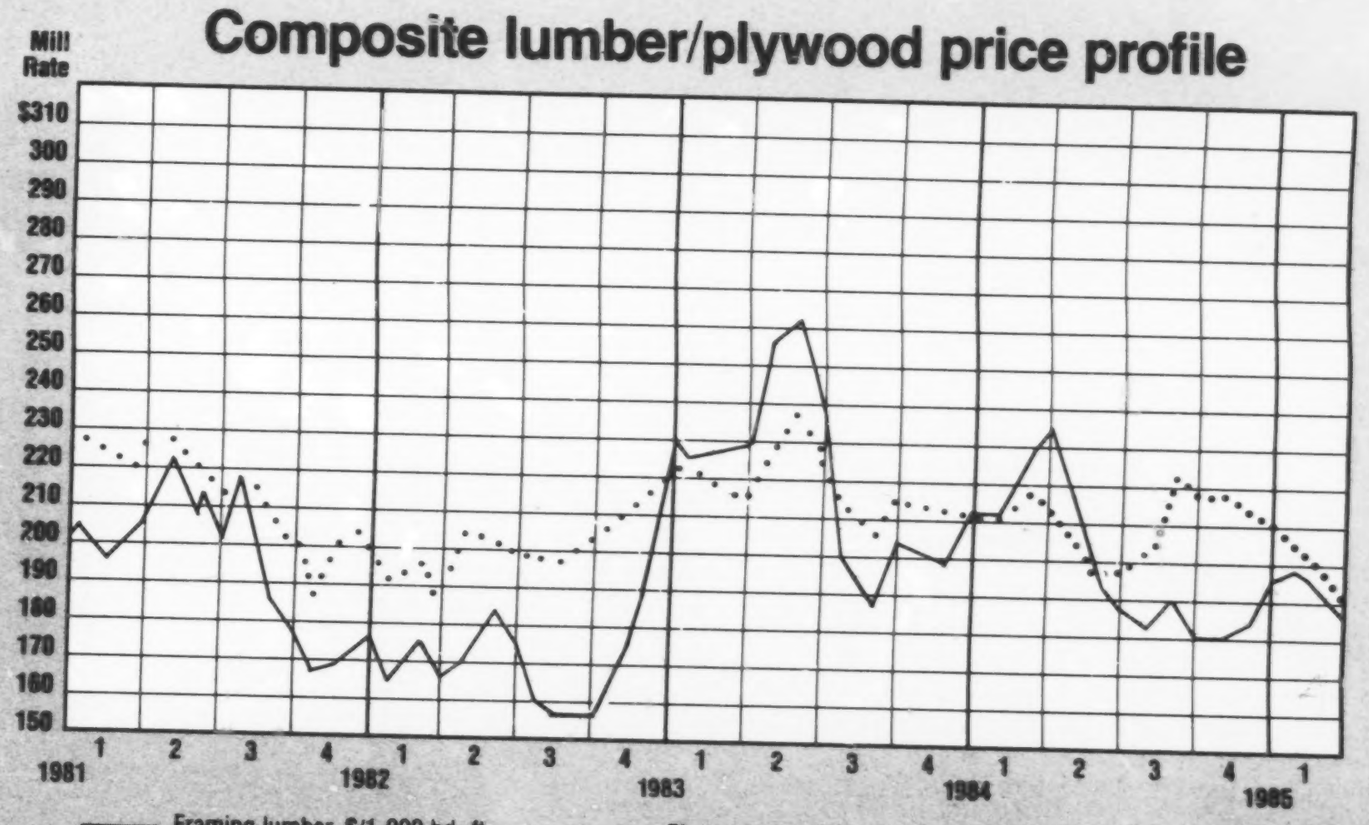
Two weeks ended April 25, 1985

| | High | Low | Close | Previous Week | Open* Interest | Contract High | Contract Low |
|---|---|---|---|---|---|---|---|
| **LUMBER** (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft. | | | | | | | |
| May '85 | 140.80 | 132.30 | 138.20 | 137.10 | 2,074 | 225.00 | 121.10 |
| July | 148.40 | 140.50 | 146.10 | 145.80 | 4,140 | 230.50 | 129.30 |
| Sept. | 152.00 | 145.00 | 149.20 | 148.40 | 1,329 | 197.50 | 135.50 |
| Nov. | 153.00 | 147.10 | 150.40 | 149.10 | 1,333 | 186.10 | 137.80 |
| Jan. '86 | 159.50 | 154.00 | 157.80 | 155.60 | 420 | 187.30 | 144.60 |
| March | 165.00 | 159.50 | 162.50 | 155.60 | 141 | 188.20 | 149.00 |
| May | 169.00 | 163.90 | 166.00 | 164.10 | 78 | 173.00 | 153.00 |

**Total Contract Vol. (Through 4/25): 26,250** — **Previous Two Weeks: 18,840**
**Total Open Interest (As of 4/25): 9,515** — **Previous Week: 9,797**
**Cash Price: $147.00** — **Previous Week: $149.94** — **Year Ago: $156.80**

CME—Chicago Mercantile Exchange
*Figures for Thursday, April 25.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

## Composite lumber/plywood price profile

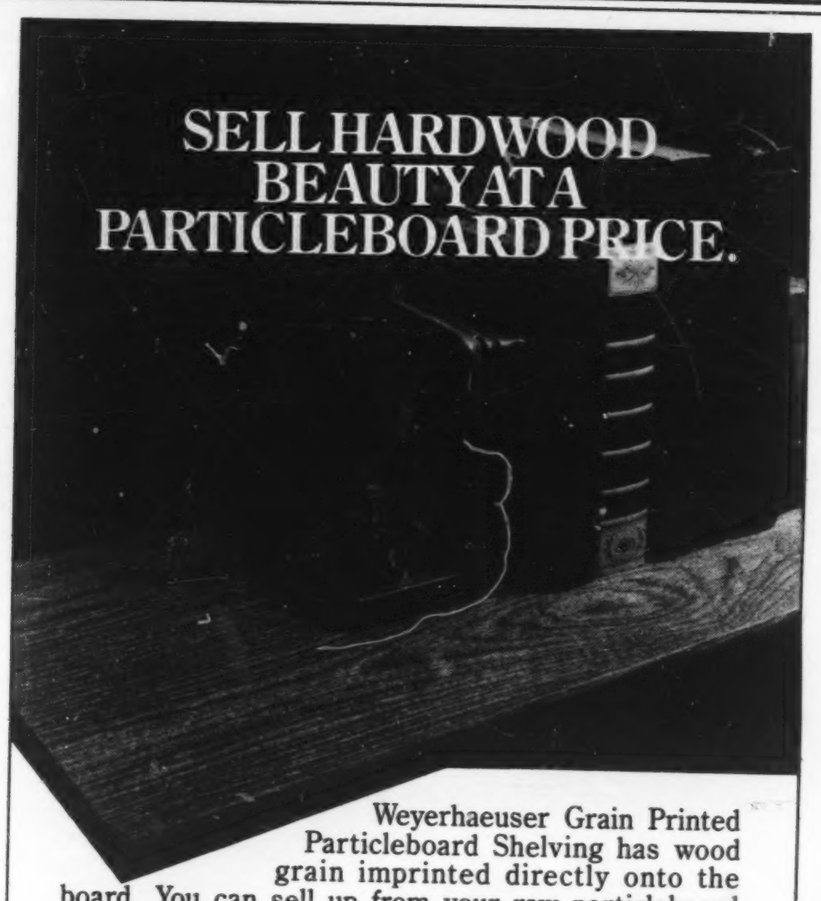



Source: *Random Lengths*

Lumber prices continued at disappointing levels during March as a spring buying surge failed to materialize. The framing lumber composite dropped to $185 per thousand board feet in March from $194 in February. Plywood was off in March to $191 per thousand square feet from $201 in February.

The framing and plywood composite numbers are based, respectively, on *Random Length*'s weighted averages of nine key lumber and seven key plywood items.

SELL HARDWOOD BEAUTY AT A PARTICLEBOARD PRICE.



Weyerhaeuser Grain Printed Particleboard Shelving has wood grain imprinted directly onto the board. You can sell up from your raw particleboard shelving line with a good margin. And yet you won't take sales away from other shelving products. Weyerhaeuser Grain Print comes in multi-lengths and widths. It's bull-nosed with filled and printed edges.

Weyerhaeuser

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National Home Center News

# MERCHANDISING SUPPLEMENT

*Kitchen and bath merchandising at (clockwise from upper left) The Home Depot, Doraville, Ga.; Riggs Supply, Kennet, Mo.; Forest City, Cleveland, and Grossman's Warehouse, Long Beach, Calif.* NHCN photos

## Computers revolutionize kitchen design; 'If competition has it, you'd better have it too'

For home center kitchen departments, 1985 is the year of decision. What computerized kitchen design service will they adopt to maintain competitive positions in their markets?

"Within a year, most home centers will have to go into the process of computerized kitchen design," said Richard Raschke, merchandise manager for Mr. HOW Warehouse, the Margate, Fla.-based chain of 24 warehouse home centers scheduled to install a kitchen design system by Labor Day. "If the competition in your area has it, you'd better not be sitting around with a pencil and paper," designing kitchens the old-fashioned way.

Like Mr. HOW, other home centers—large and small—have either reached decisions on what systems to install, or are searching around for a suitable vendor. Wickes Lumber installed a system in seven test sites last summer and is now considering rolling out the system chainwide. Channel Home Centers is now looking at available systems. East Coast Lumber, a $30 million operation in Hempstead, N.Y., installed a system five months ago. Panel Mart, a $3 million chain of three small stores based in Fort Wayne, Ind., acquired a system in March. Snow Lumber, the $18 million operation in High Point, N.C., said it would have a system installed by this fall.

Forces from a number of different directions say these and other home center companies are conspiring to urge a decision this year. In the computer arena, prices of personal computers used to run such programs have dropped over the past 12 months. And, IBM's introduction of its own brand of personal computer has lent credibility to the field.

As for software—meaning the actual programs employed to operate the kitchen design systems—the variety available has risen very quickly. In 1981, only three companies offered such software. Suddenly, over the past 12 months, five additional providers have entered the scene. More are expected before long.

Adding further urgency to the matter is the fact that two of the new software vendors are kitchen cabinet makers who provide the software free of charge to retailers. Retailers

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SUPPLEMENT: KITCHEN & BATH

# Computers help revolutionize kitchen design

*(Continued from page 29)*

wanting to run the programs need only purchase a personal computer for under $3,000. As home centers begin to pick up these systems, competitors in their markets will feel the pressure to take on similar systems.

Further, most of the recent entrants on the software scene are making their systems much easier to use than systems have been in the past. Now, the user need only key in the size of the customer's kitchen, and the computer will automatically suggest a series of cabinets and accessories in picture form. One new system even uses a "mouse" that the salesman moves around on his desk to quickly develop a plan and estimate. The computer's keyboard can be avoided entirely.

While technology has filtered down in terms of price and usability to the level of even the small home center, it is the movement of kitchen cabinets and accessories inside the stores themselves that is creating the greatest overall force leading to the decision to computerize.

Home centers around the country report that kitchen sales are on a roll. Wickes Lumber experienced a 30% increase in 1984 over the previous year. Channel Home Centers sold 28% more kitchen cabinets in this year's first quarter than it did during the same period in 1984. Somerville Lumber enjoyed a 30% increase last year.

*'Within a year, most home centers will have to go into the process of computerized kitchen design. If the competition in your area has it, you'd better not be sitting around with a pencil and paper.'*

**—Richard Raschke,**
*merchandise manager,*
*Mr. HOW Warehouse*

Smaller home center companies claim similar gains. Kitchen sales increased by 45% after the department was remodeled at Snow Lumber. At East Coast Lumber, monthly kitchen cabinet transactions have increased to $102,000 monthly, from a level of $80,000 per month a year ago. Panel Mart said the number of weekly kitchen transactions has doubled over the past year.

These companies said that as their kitchen transactions increase, their salesmen have correspondingly less time to spend with each customer. Customers who feel they are not being serviced fast enough may abandon home centers in favor of competitors such as specialty kitchen outlets with their staffs that typically consist of one or more certified kitchen designers.

For many home centers, the problem is particularly acute because their personnel are not familiar with the skills required to put together a manual kitchen design. To meet the challenge of efficiently handling the increasing number of transactions, goes the reasoning, computerized design systems must be brought in now to bolster the expertise of the home center staff.

## Computer design systems for kitchens

| System | Features | Date of First Retail Installation | Installations: All Retail | Installations: Home Center | Software Price | Hardware Price/ Compatibility |
|---|---|---|---|---|---|---|
| Computerized Cabinetry<br>50 S.E. Fourth Avenue<br>Delray Beach, Fla. 33444<br>305-276-9813 | User enters sizes and styles of cabinets, rather than kitchen dimensions. Primarily an estimating tool. | 1981 | 125 | * | $795 | $1,000<br>Apple |
| Design Plus<br>20 W. Market St.<br>York, Pa. 17401<br>717-848-5674 | Offers a service bureau arrangement. User sends completed kitchen design questionnaires to vendor. | 1981 | 1,000+ | 9 | $250<br>+$23-$44<br>per design | None |
| Graphic 100<br>P.O. Box 362<br>Nashua, N.H. 03061<br>603-882-2439 | User may begin by entering either room size, or style of cabinets wanted. | 1978 | 120 | 25 | $1,995 | $2,100<br>IBM<br>Apple |
| Integrated Computer Graphics<br>5 Piedmont Center, #306<br>Atlanta, Ga. 30305<br>404-233-6383 | Offers high transaction speed, and detailed graphics with plotter. Currently being tested at seven Wickes Lumber stores. | 1984 | 1 | 1 | $6,000-$15,000 to enter cabinet vendor specs; then $5,000/mo. lease for up to six locations. | $12,000<br>Hewlett-Packard |
| RPM Software Systems<br>16200 Puritan<br>Detroit, Mich. 48227<br>313-838-2444 | Provides system commands in abbreviated English. Screen addresses 37 categories of specifications. | 1985<br>(planned) | 0 | 0 | $6,000 | $3,500<br>IBM<br>Texas Instruments |
| Sonnet Kitchens<br>8 Bingham Hill<br>Rumson, N.J. 07760<br>201-842-6160 | User enters room dimensions; system creates kitchen. Usable with cabinets from other vendors. | 1985<br>(planned) | 0 | 0 | Free | $2,800<br>Apple |
| Triangle Pacific<br>16903 Dallas Parkway<br>Dallas, Tex. 75248<br>214-931-3000 | Usable only with Tri-Pac kitchen cabinets; system designs good-better-best kitchens from basic dimensions. | 1985<br>(planned) | 0 | 0 | Free | $1,500<br>IBM |
| Twenty-Twenty<br>1755 Cunard St.<br>Laval, (Quebec) Canada,<br>H7S-2B4.<br>514-332-4110 | Retailers can use a "mouse," rather than a keyboard, to input data about room sizes and cabinets desired. | $3,750<br>1985<br>(planned) | 0 | 0 | $3,750 | $4,500<br>IBM |

Source: *NHCN* research